

M e m o r a n d u m

To: Panel Members

Date: August 27, 2004

From: Ruby Cohen, Manager

Analyst: K. Summerfield

Subject: PROPOSED AMENDMENT 3 FOR **SONOMA COUNTY JUNIOR COLLEGE DISTRICT**

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Moving To A High Performance Workplace
Promotion Of California's Manufacturing Workforce
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

CONTRACT:

- Program Costs:
 - Present Program Costs:** \$142,480
 - Amendment Program Costs +:** \$53,508
 - Total Program Costs:** \$195,988
- Multiple Employer Support:
 - Present Contract Support (8 %):** \$9,864
 - Amendment Support (8 %):** \$3,626
 - Total Support:** \$13,490
- Substantial Contribution:
 - Present Contract Contribution:** \$0
 - Amendment Contribution +:** \$0
 - Total Contributions:** \$0
- Total ETP Funding: \$209,478
- In-kind Contribution: \$266,299

➤ *Trainee Wages Paid During Training*

Present Contract: \$175,939

Amendment: \$60,760

➤ *Other Contributions:*

Present Contract: \$22,600

Amendment: \$7,000

➤ *Total Contribution*

Present Contract: \$198,539

Amendment: \$67,760

➤ *Maximum Contractor Charge To
Participating Employers*

Present Contract: \$1,000

Amendment: \$1,000

- Reimbursement Method: Fixed-Fee
- County(ies) Served: Lake, Napa, Sonoma

INTRODUCTION:

Located in Lake, Napa, and Sonoma counties, the participating employers in this Multiple Employer Agreement specialize in the production of California wines; manufacturing of medicinal herb teas; and providing Internet services and transaction processing to merchant outlets throughout the United States, U.S. territories, and Canada.

The Sonoma County Junior College District, is a training school, eligible for ETP funding under Unemployment Insurance Code Section 10205(c)(2). This is a retraining project that provides training to employees of companies that are trying to increase their competitive edge. The participating employers qualify under Title 22, California Code of Regulations, Section 4416(a)(1)–(4) as manufacturers and service companies facing out-of-state competition. These companies produce products or services sold in and outside of the state which compete with products and services produced out-of-state.

The Contractor requests Amendment 3 to add a Phase II (Job 4) to train an additional 98 trainees. The Amendment will increase the ETP funding for this contract by \$57,134.

MEETING ETP GOALS AND OBJECTIVES:

Sonoma County Junior College District proposes training that will further the following ETP goals and objectives:

- 1) The training will foster retention of high wage high-skilled jobs in manufacturing that are threatened by out-of-state competition.
- 2) The training will provide for retraining in companies that make a monetary or in-kind contribution to the funded training enhancements.
- 3) The training will encourage industry-based investment in human resources development that promotes the competitiveness of California industry through productivity and product quality enhancements.
- 4) The training will promote the retention and expansion of the State's manufacturing workforce.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/ Lab Videocnf. Hrs	No. CBT Hrs.	No. SOST Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Phase I	No change to Jobs 1,2, or 3	274	40			\$556	*\$10.98 - \$48.07
Phase II: Job 4 Retrainees	Business Skills Continuous Improvement Management Skills Manufacturing Skills Literacy Skills	98	42	N/A	N/A	\$583	*\$11.16 - \$48.07
					<u>Prevalent Hourly Wage</u> \$15.00		
					<u>Average Cost Per Trainee</u> \$563		
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Phase I: Medical, dental, and vision benefits of at least \$1.78 may be added as necessary to bring the hourly wage to the minimum ETP wage requirement of \$10.98 per hour from Lake, Napa, and Sonoma counties for trainees in Job 2. Phase II: Medical, dental, and vision benefits of at least \$1.78 may be added as necessary to bring the hourly wage to the minimum ETP wage requirement of \$11.16 per hour from Lake, Napa, and Sonoma counties for trainees in Job 4.					<u>Turnover Rate</u> 20%	<u>% Of Mgrs & Supervisors To Be Trained:</u> 11%	
<u>Other Employee Benefits:</u> Participating employers offer company-paid holidays, vacations, and sick leave; 401K options, disability insurance, product discounts, stock options, employee assistance, educational assistance, life insurance, and other optional benefits.							

COMMENTS / ISSUES:

➤ **Frontline Workers**

All participants in Phase II meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee) with the exception of approximately 11 (11 percent) managers and supervisors. As frontline workers, the trainees included in this Agreement directly produce or deliver goods or services. No senior level managers or executive staff who set company policy are included in the ETP-funded training.

➤ ***Compensatory Nature of Training***

Training is mandatory for all trainees.

➤ ***Production During Training***

Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ ***Maximum Contractor Charge To Participating Employers***

During development of the Contract and on the ETP 130, a \$0 was inadvertently entered into this section. The Contractor charges all participating employers a non-refundable \$1,000 start-up fee. This was corrected in this Amendment.

In addition, the Contractor charges participating employers for the cost of training if a trainee does not complete the training and they do not earn reimbursement for the trainee. The amount charged for Phase I is \$556 for Jobs 1, 2, and 3 and Phase II is \$583 for Job 4.

PROPOSED ACTION:

Staff recommends that the Panel approve this Agreement if funding is available and the project meets the Panel priorities.

NARRATIVE:

Sonoma County Junior College District received Panel approval for this Contract in October of 2003. The Contract is to provide training in Business, Continuous Improvement, Management, Manufacturing, and Literacy Skills to retrainees from businesses in Lake, Napa, and Sonoma Counties.

The Contractor requests this proposed Amendment add a Phase II to the Contract with one new Job:

- Job 4 to retrain 98 trainees with 42 hours of Business, Continuous Improvement, Management, Manufacturing, and/or Literacy Skills training.

The original training was to train 274 trainees with 40 hours of training. The Contractor reports that 133 trainees (49 percent) are scheduled to complete training by July 29, 2004. By August 20, 2004, 44 trainees will complete the retention period. The remaining 89 trainees are scheduled to complete the retention period in October 2004. By August 27, 2004 an additional 20 trainees will begin training. Of the remaining 121 training slots available, current participating employers have committed 121 employees for retraining.

The Amendment will result in an increase to the in-kind contribution by \$67,760: \$60,760 in wages paid to trainees during training; \$3,000 for training assessment and coordination; \$2,000 for training supplies and materials; and \$2,000 for start-up costs paid to Sonoma County Junior College District. This Amendment will utilize the original contract curriculum and is consistent with the original intent of the contract to train employees from businesses in Lake, Napa, and Sonoma counties. No trainees in this Contract are covered by a collective bargaining agreement.

Employer Demand

Panel policy requires multiple employer contractors to provide evidence of employer demand for training.

The Contractor submitted Certification Statements from six business employers committing to training for 98 trainees.

Supplemental Nature of Training

State law requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

The participating employers that will be added to this Agreement under this proposed Amendment certify that training from ETP funds will be supplemental to the existing training programs at their companies. The training is supplemental to the existing training that occurs at the companies, which have been providing other types of training to their workers including general computer skills; leadership skills; new hire and company orientation; workplace literacy; management development; general safety training; labor laws and legal issues; sexual harassment prevention; stress management; violence in the workplace; and developing company mission and value statements.

NARRATIVE: (continued)

Sonoma County Junior College District certifies that this proposal is directly related to the approved curriculum which includes new manufacturing technologies; business processes; customer service goals, and/or new software needed to support new and technological advanced products and services currently in place at the participating employer sites.

Some of the participating employers have been involved as participating employers in the previous ETP Agreements with Sonoma County Junior College. In some cases, the same types of training will be included in the curriculum under the current Agreement; however, such training will be provided to different employees at different company sites.

The Contractor stated that none of the employees who received training in Jobs 1, 2, or 3 will receive any repeat training under the current proposal. There will be no duplication of training for existing employees.

Training contained in the curriculum is customized to meet each participating employer's needs and will allow the participating employers to increase the number of trained employees. All training is provided at the participating employer's facility.

ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET04-0499	\$152,344	12/31/03 – 12/30/05	274	134	132	44

The 88 active trainees are scheduled to complete the retention period no later than the end of October 2004. The Contractor currently has training scheduled in 2005 for current and new participating employers for 240 employees. All training is scheduled to be completed by September 29, 2005, to ensure that training and the 90-day retention period are completed within the term of the Agreement.

Sonoma County Junior College District
Menu Curriculum

Class/Lab Hours
40

BUSINESS SKILLS

1. Intercultural Communication
2. Finance for Non-Accountants
3. Finance for Non-Accountants II
4. Meeting Management
5. Presentation Skills/Facilitator
6. Customer Service
7. Production Writing
8. Business Writing
9. Communication Skills
10. Production Math Skills I
11. Production Math Skills II
12. Time Management
13. Production Writing
14. Conflict Resolution and Negotiation
15. Effective Listening
16. Interpersonal Communication

CONTINUOUS IMPROVEMENT

1. Principles of Team Building
2. Problem Solving and Decision Making
3. Conflict Resolution
4. Critical Thinking in the Production Process
5. Principles and Practice of Verbal Communication
6. Statistics
7. Statistical Process Control
8. Design of Experiments
9. Just-In-Time/Total Quality Control
10. ISO 9000 Implementation (8 hours only)
11. Individual Performance Objectives
12. Leadership and Change
13. Team Leadership

LITERACY SKILLS

1. **Vocational English as a Second Language**
(not to exceed 18 hours for any one trainee)

Sonoma County Junior College District
Menu Curriculum

MANAGEMENT SKILLS (Managers and Supervisors Only)

1. Customer Service for Managers and Supervisors
2. Introduction to Supervision and Management
3. Performance Appraisals
4. Coaching and Counseling
5. HRIS Systems
6. Behavioral Interviewing and Selection
7. Managing Employee Performance

MANUFACTURING SKILLS

- 1. Project Management**
2. Blueprint Reading for the Machine Shop
3. Welding Practices
4. Introduction to Technical Skills
5. Production Environment Skills
6. Inventory Management and Master Planning
7. Materials Requirements Planning and Purchasing
8. Capacity and Priority Management
9. Overview of Viticulture & Winemaking I
10. Overview of Viticulture & Winemaking II
11. Vineyard Management
12. Winemaking in the Vineyard
13. Winery Practices I
14. Winery Practices II
15. Wine Marketing Fundamentals
16. Wine Production Analysis
17. Cross-Training In Wine Production

Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: Sonoma County Junior College District

CCG No.: ET04-0499

Reference No: 04-0026

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PRINT OR TYPE

Company: Jackson Family Farms

Address: 1190 Kittyhawk Avenue

City, State, Zip: Santa Rosa, CA 95403

Contact Person/Title: Sara Tarango, HR Specialist

Telephone No.: 707-836-2037

Collective Bargaining Agreement(s): No

Estimated #of employees to be retrained or hired under this Agreement: 40

Total # of full-time company employees worldwide: 720

Total # of full-time company employees in California: 720

Company: CrossCheck, Inc.

Address: 6119 State Farm Drive

City, State, Zip: Rohnert Park, CA 94928

Contact Person/Title: Karen Boyce, Vice-President Human Resources

Telephone No.: (707) 586-0551

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained or hired under this Agreement: 60

Total # of full-time company employees worldwide: 317

Total # of full-time company employees in California: 317

Company: Traditional Medicinals

Address: 4515 Ross Road

City, State, Zip: Sebastopol, CA 95472

Contact Person/Title: Janine Levijarvi

Telephone No.: (707) 824-6711

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained or hired under this Agreement: 30

Total # of full-time company employees worldwide: 80

Total # of full-time company employees in California: 80